

**Problem statement and alternatives for an FMP amendment to establish a new program for  
observer funding and deployment in the NPGOP**

*last revised June 13, 2004*

**Problem Statement**

The North Pacific Groundfish Observer Program (Observer Program) is widely recognized as a successful and essential program for management of the North Pacific groundfish fisheries. However, the Observer Program faces a number of longstanding problems that result primarily from its current structure. The existing program design is driven by coverage levels based on vessel size that, for the most part, have been established in regulation since 1990. The quality and utility of observer data suffer because coverage levels and deployment patterns cannot be effectively tailored to respond to current and future management needs and circumstances of individual fisheries. In addition, the existing program does not allow fishery managers to control when and where observers are deployed. This results in potential sources of bias that could jeopardize the statistical reliability of catch and bycatch data. The current program is also one in which many smaller vessels face observer costs that are disproportionately high relative to their gross earnings. Furthermore, the complicated and rigid coverage rules have led to observer availability and coverage compliance problems. The current funding mechanism and program structure do not provide the flexibility to solve many of these problems, nor do they allow the program to effectively respond to evolving and dynamic fisheries management objectives.

**Alternatives**

- Alternative 1. *No action alternative.*** Under this alternative, the current interim “pay-as-you-go” program would continue to be the only system under which groundfish observers would be provided in the groundfish fisheries of the BSAI and GOA.
- Alternative 2. *GOA groundfish vessels only.*** Under this alternative, a new fee-based Observer Program would be established for GOA groundfish vessels, including GOA groundfish vessels under 60'. Regulations that divide the fleet into 0%, 30%, and 100% coverage categories would no longer apply to vessels in the program, and vessel operators would no longer be responsible for obtaining their own observer coverage. Under the new program, NMFS would determine when and where to deploy observers based on data collection and monitoring needs and would contract directly for observers using fee proceeds and/or direct federal funding. Vessels would only be required to carry an observer when one is provided by NMFS. The fee would be based on a percentage of the ex-vessel value of each vessel's GOA groundfish landings and would be collected through annual billing by NMFS.
- Alternative 3. *GOA groundfish vessels and halibut vessels only.*** This alternative is the same as Alternative 2 except that halibut vessels from all areas off Alaska would be included in the program. Fees would be collected from halibut landings as well as groundfish landings through annual billing by NMFS, and NMFS would have the authority to place observers on halibut vessels as well as groundfish vessels.

**Alternative 4.** *GOA groundfish vessels, halibut vessels and GOA-based groundfish processors.* This alternative is the same as Alternative 3 except that GOA-based groundfish processors would be included in the program. However, in contrast to Alternatives 2 and 3, fees would be collected by processors at the time of landing, and fee proceeds would be submitted to NMFS on a quarterly basis.

**Option 1:** Exclude GOA-based shoreside and floating processors.<sup>1</sup>

**Option 2:** Establish an annual opt-in/opt-out provision for BSAI-based shoreside and floating processors.<sup>2</sup>

**Alternative 5.** *GOA groundfish vessels, halibut vessels, GOA-based groundfish processors, BSAI fixed gear catcher vessels and BSAI pot vessels.* This alternative expands on Alternative 4 by including BSAI fixed gear catcher vessels (longline, jig, & pot) and BSAI pot catcher processors. Vessels fishing for CDQ that fit into these categories are also included.

**Option 1:** Exclude GOA-based shoreside and floating processors.

**Option 2:** Establish an annual opt-in/opt-out provision for BSAI-based shoreside and floating processors.

**Alternative 6.** *GOA groundfish vessels, halibut vessels, GOA-based groundfish processors, all BSAI groundfish vessels under 125', and all BSAI pot vessels.* This alternative expands on Alternative 5 by adding BSAI trawl catcher vessels under 125', and BSAI trawl and longline catcher/processors under 125'. Vessels fishing for CDQ that fit these categories are also included.

(Note: Of the following options, only Options 5 and 6 are mutually exclusive. Options 1 - 4 address the scope of the vessels/processors included in the new program; thus, the Council could choose not to select any of Options 1 - 4. However, Options 5 and 6 address the type of fee program that would be implemented; thus, the Council would need to select either Option 5 or Option 6 at final action.)

Options to determine scope of program:

**Option 1:** Include longline catcher processors  $\geq 125'$ . This suboption would expand Alternative 6 by including longline catcher processors  $>125'$  operating in the BSAI.

**Option 2:** Include non-AFA (H&G) trawl catcher processors  $\geq 125'$ . This suboption

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<sup>1</sup>GOA shoreside and floating processors are included in Alternatives 4 through 7. This suboption would allow GOA-based shoreside and floating processors to be excluded as a class from Alternatives 4 through 6.

<sup>2</sup>Under Alternatives 4 through 6, BSAI-based inshore and floating processors would participate in the fee collection program and would pay fees for any landings by vessels that are included in the program. However, BSAI-based shoreside and floating processors would not pay fees for landings by vessels not included in the program and would not obtain their observer coverage through the program. This suboption would allow individual BSAI-based shoreside and floating processors to opt-in to the program on an annual basis under Alternatives 4 - 6. Processors choosing to opt-in to the program would receive their observer coverage through the program and would pay fees on all of their groundfish landings including those by vessels not covered by the program.

would expand Alternative 6 by including non-AFA trawl catcher/processors  $\geq 125'$  (i.e., the H&G fleet).

**Option 3:** Exclude GOA-based shoreside and floating processors.

**Option 4:** Establish an annual opt-in/opt-out provision for BSAI-based shoreside and floating processors.

Options to determine fee program:

**Option 5:** Establish a uniform ex-vessel value fee for all vessels and processors covered by the program.

**Option 6:** Establish two separate programs that are differentiated by fee type and coverage level: (1) Vessels and processors in fisheries that generally have less than 100% coverage requirements would pay a uniform ex-vessel value fee and carry observers when requested to do so by NMFS; (2) Vessels and processors in fisheries with mandatory coverage requirements of 100% or greater would pay a daily observer fee based on their required levels of coverage.

**Alternative 7. All groundfish vessels and processors and all halibut vessels.** This alternative would establish a new fee-based Observer Program in which NMFS has a direct contract with observer providers for all GOA and BSAI groundfish and halibut fisheries. Funding of observer coverage costs under this alternative could range from a program-wide fee-based approach to sector-specific funding, which could include payment for daily coverage costs in some sectors and uniform fees in other sectors.

**Option 1:** Establish a uniform ex-vessel value fee for all vessels and processors covered by the program.

**Option 2:** Establish two separate programs that are differentiated by fee type and coverage level: (1) Vessels and processors in fisheries that generally have less than 100% coverage requirements would pay a uniform ex-vessel value fee and carry observers when requested to do so by NMFS; (2) Vessels and processors in fisheries with mandatory coverage requirements of 100% or greater would pay a daily observer fee based on their required levels of coverage.

\*The analysis will also explore the concept of assessing a different fee in fisheries that have a mix of vessels with  $<100\%$  and  $\geq 100\%$  coverage requirements. The fee would include a daily observer fee component and an ex-vessel value fee component, and both components would be assessed on all vessels in the specified fishery.

**Matrix of alternatives showing which vessel and processor classes are included under each alternative**

<b>Area</b>	<b>Vessel class</b>	<b>Alt 1 (No action)</b>	<b>Alt. 2</b>	<b>Alt. 3</b>	<b>Alt. 4</b>	<b>Alt. 5</b>	<b>Alt. 6</b>	<b>Alt. 7</b>
<b>GOA</b>	CV < 60'	0%						
	CV 60'-124'	30%						
	CP 60'-124'	30%						
	CV ≥ 125'	100%						
	CP ≥ 125'	100%						
	Halibut (all classes and areas)	0%						
	Shoreside/floater	0%. 30%. & 100%			Suboption to include or exclude GOA processors from these alternatives			
<b>BSAI</b>	< 60' (all gears)	0%						
	Halibut (all)	0%						
	Longline CV 60'-124'	30%						
	Pot CV & CP ≥ 60'	30%						
	Longline CV ≥ 125'	100%						
	Longline CP 60'-124'	30%						
	Longline CP ≥ 125'	100%					Suboption to include	
	Trawl CV 60'-124'	30%						
	Trawl CV ≥ 125'	100%						
	H&G trawl CP 60'-124'	30%						
	H&G trawl CP >125'	100%					Suboption to include	
	Shoreside/floater	0%. 30%. & 100%			Suboption for annual opt-in/opt-out provision			
<b>AFA &amp; CDQ</b>	AFA CP	200%						
	AFA pollock	200%						
	CDQ pollock	200%						
	AFA mothership	200%						
	AFA inshore processor	200%			Suboption for annual opt-in/opt-out provision			
	CDQ fixed gear CP	200%						
	CDQ fixed gear CV	100%				All vessel classes included for non-CDQ fishing are also included when fishing for CDQ		
	CDQ H&G trawl CP	200%						
	CDQ trawl CV ≥ 60'	100%						